

Good morning. My name is Marie Lenane. I am the Policy Pricing Analyst at the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on the proposed amendments to 101 CMR 417.00: Rates for Certain Elder Care Services, which will amend rates purchased by the Executive Office of Elder Affairs (EOEA).

Massachusetts General Laws, Chapter 118E, Section 13D requires the Secretary of the Executive Office of Health and Human Services to establish rates of payment by regulation for social service programs. The effective date for the proposed amendments to the regulation is January 1, 2022.

The rates for certain elder care services are being updated to include an increase by a cost adjustment factor (CAF) of 1.06% and to incorporate salary benchmarks derived from the Bureau of Labor Statistics (BLS) median salary, May 2020 edition. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Spring 2021 Forecast, optimistic scenario data. The CAF reflects the period between the rates' base period (Calendar Year 2021 Q4) and the prospective calendar year 2022 Q1 through calendar year 2023 Q4. The rates for these services have been updated to incorporate an employer and employee contribution required by the Massachusetts paid family and medical leave law, the tax and fringe rate has been benchmarked to

22.40%, and the administrative allocation has been benchmarked to 12%. Lastly, the programmatic costs have been benchmarked to the FY19 Uniform Financial Reports (UFRs) for these services and staffing FTEs have been updated where applicable based on the purchasers' recommendations.

The total projected annualized cost to state government from the increase in rates under the proposed regulation is \$18.2M, which represents an increase of 16.87% over the current spending of approximately \$108M.

This concludes my testimony. Thank you.